



FEDERAL ELECTION COMMISSION Washington, DC 20463

AGENDA ITÉM

<u>MEMORANDUM</u>

For Meeting of: 5-23-02

TO:

Secretary of the Commission

FROM:

Vice Chairman Karl J. Sandstrom

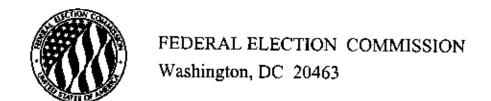
DATE:

05/23/2002

SUBMITTED LATE

SUBJECT: Memorandum on Agenda Document No. 02-40 to Supercede Agenda Document No. 02-40-A

I would like to include the attached memorandum as an agenda document for May 23, 2002. This will supercede my memorandum dated May 22, 2002 (Agenda Document No. 02-40-A).



<u>MEMORANDUM</u>

TO:

The Commission

FROM:

Vice Chairman Karl J. Sandstrom

DATE:

05/23/2002

SUBJECT:

Amendments to Agenda Document No. 02-40 (Brokerage Loans Final

Rules and E&J)

I propose the following amendments to Agenda Document No. 02-40:

- 1. Page 6, line 3: delete "the revised schedule D." and replace with "Schedule C or C-P."
- Page 16, lines 13-14; delete "Thus, bank loans to candidates no longer need to be reported in Schedule C, C-P, C-1 or C-P-1 but political" and replace with "Instead of paragraph (d)(1), bank loans to candidates must now be reported in accordance with paragraph (d)(4) in Schedule C-1 or C-P-1. Political"
- 3. Page 16, line 20: delete "new Schedule D." and replace with "Schedules C, C-P, C-1 and C-P-1." then add the following: "Current Schedules C, C-P, C-1 and C-P-1 have not been revised to reflect the new reporting requirements for loans to candidates from financial institutions. Rather, the instructions to Schedules C, C-P, C-1 and C-P-1, and to the Detailed Summary Pages for Forms 3 and 3P, will be modified to reflect the new reporting requirements under new section 104.3(d)(4)."
- 4. Page 16, line 21: delete "form" and replace with "instructions to these schedules"
- 5. Page 16, line 22: after "regulations." add the following: "The revised instructions will be posted on the Commission's website (www.fec.gov) and will be available to the public through the Commission's Information Division."
- 6. Page 17, line 17: delete "Schedule D" and replace with "Schedule C or C-P"
- Page 18, line 4: delete "the revised Schedule D." and replace with "Schedule C-1 or C-P-1."

- 8. Page 28, line 20: after "guarantor," add "or"
- 9. Page 29, lines 12-13: delete "wholly repaid" and replace with "repaid exclusively"
- 10. Page 29, line 13: delete "." and add "or payments that would have been made irrespective of the candidacy pursuant to 11 CFR 113.1(g)(6)."
- 11. Page 29, line 21: after "third party" add the following: "(other than a third party whose payments are permissible under 11 CFR 113.1(g)(6))"
- Page 30, line 16: delete the extra "."
- 13. Page 33, line 4: delete "and"
- 14. Page 33, line 5: delete "g. Add paragraph (d)(4)," and add:
 - "g. Revise paragraph (d)(2);
 - h. Revise paragraph (d)(3); and
 - i. Add paragraph (d)(4)."
- 15. Page 33, line 12: add "d" to the end of "derive"
- 16. Page 33, line 21: "made by or guaranteed by the candidate" and replace with "made, guaranteed, or endorsed by the candidate to his or her authorized committee"
- 17. Page 35, line 10: insert the following below "* * * *":
 - (2) The political committee shall submit a copy of the loan or line of credit agreement which describes the terms and conditions of the loan or line of credit when it files Schedule C-1 or C-P-1. This paragraph shall not apply to any Schedule C-1 or C-P-1 that is filed pursuant to paragraph (d)(4) of this section.

* * * *

(3) The political committee shall file in the next due report a Schedule C-1 or C-P-1 each time a draw is made on a line of credit, and each time a loan or line of credit is restructured to change the terms of repayment. This paragraph shall not apply to any Schedule C-1 or C-P-1 that is filed pursuant to paragraph (d)(4) of this section.

* * *

18. Page 35, line 14: after "100.8(b)(24)" add the following: "for use in connection with the candidate's campaign"

19. Page 35, line 16: delete "Schedule D:" and replace with "Schedule C-1 or C-P-1:"